SUBJECT INDEX

PAGE

I.

Introduction 1

II.

Statement of the case 3

III.

Argument 5

Defendant's argumentative assertions concerning "complete monopoly," transfer of "competing patent" and "no prospect" of "other circuit" litigation are without support in the record and incorrect 5

Defendant's questions concerning a mandate for a "relaxed standard of invention" and "commercial success" as the premise for patentability are not raised by the decision of the Circuit Court in this case 6

The claim in suit is not invalid for failure to claim the invention 9

The prior art fails to disclose the gist of the patented invention which is in its spur and socket construction and cooperative relation thereof with the clip closing means 10

Defendant's clear infringement was found by both courts below 12

The Court of Appeals was entirely justified in drawing legal inferences from uncontradicted evidence without remanding the case to the District Court 14

Conclusion 16

TABLE OF AUTHORITIES CITED

CASES

	PAGE
Altoona Theater v. Tri-Ergon Corp., 294 U. S. 477	9, 10
District of Columbia v. Pace, 320 U. S. 698	15
Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp., 340 U. S. 147	7
Keller v. Adams-Campbell Co., 264 U. S. 314	2
Lyon v. Bausch & Lomb Optical Co., 224 F. 2d 530	8
Permutit Co. v. Graver Corp., 284 U. S. 52	7
Ridings v. Johnson, 128 U. S. 212	15
Temco Electric Motor Co. v. Apco Mfg. Co., 275 U. S. 319	10
United States v. United States Gypsum Co., 333 U. S. 364	15
Virginian Ry. Co. v. United States, 272 U. S. 658	15
Waialua Agricultural Co. v. Maneja, 216 F. 2d 466	14

RULES

Federal Rules of Civil Procedure, Rule 52(a)	15

STATUTES

United States Code, Title 29, Sec. 201 et seq.	14
United States Code, Title 29, Sec. 210	14
United States Code, Title 35, Sec. 103	8, 9
United States Code, Title 35, Sec. 112	9

IN THE

Supreme Court of the United States

OCTOBER TERM, 1960
No. 874

THE I. LEON CO., INC.,

Petitioner,

vs.

KENNETH REINER and FRANK A. KLAUS, JR., doing business as THE KAYNAR COMPANY, and KAYNAR MFG. CO., INC.,

Respondents.

RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR CERTIORARI.

To the Honorable Chief Justice of the United States and the Associate Justices of the Supreme Court of the United States:

I.
INTRODUCTION.

Defendant, petitioner, misconceives the reviewing function of this Court and overlooks the necessity for alleging in his petition "special and important" reasons for this Court to grant certiorari. This case is an ordinary patent case involving the usual issues of infringement and validity, and no more. As in a hundred other patent cases, it was necessary for the court to pass on the question of whether the defendant's de-

vices came within the scope of the patent claims, and whether the claims defined invention over the prior art.

Apparently having presented both in the District Court and in the Circuit Court of Appeals for the Second Circuit, its best arguments, its best defenses and its best theories, and lost, the defendant would now seek a third round to expound them again.

There is no conflict of decision with respect to plaintiffs' patent between two Circuit Courts of Appeal, nor does this case involve any principle, the settlement of which is of importance to the public interest. This is an "ordinary patent case." As this Court said in *Keller v. Adams-Campbell Co.*, 264 U. S. 314, at 319:

> "Such an ordinary patent case with the usual issues of invention, breadth of claims and non-infringement, this Court will not bring here by certiorari unless it be necessary to reconcile decisions of Circuit Courts of Appeal on the same patent."

In the statement of "Questions Presented" defendant, petitioner, indulges in no less than eight purported questions which should be resolved by this Court. Such verbosity, we submit, serves to show not the importance of the questions but rather the inability of the defendant to frame any *one* question which is of public importance. The alleged "Statement of the Case" is neither factually supported by the record nor complete. Plaintiffs' expert did not "admit" that the spring of the patented device required a "hook" and the District Court did not so find (PA. 86a).* The dis-

*For clarity the system adopted by defendant for record designation is followed. The Appendix to Petitioner's Brief will be referred to simply as "Appendix."

tinction between the spurs and sockets of the accused device and those of the patented device now claimed to exist was not urged or found to exist by the trial court. The concurrent conclusions of the Circuit Court as to infringement also should be noted, wherein the court said it is "plain" that the claim in issue reads on defendant's clamp.

In the ensuing 40 pages of "Argument" there follows a dreary rehash of each and every contention made by the defendant below plus a scenario made up wholly out of the defendant's imagination concerning the actions of the Court of Appeals for the Second Circuit.

Respondents do not wish this Court to believe that we agree with petitioner as to the substance or correctness of any of its purported questions, and therefore hasten to deny that there are any "special and important" reasons that should cause this Court to exercise its sound judicial discretion to grant certiorari under Rule 19. In the following discussion we shall as briefly as possible dispose of the defendant's questions, combining them where possible. Some amplification of the petitioner's "Statement of the Case" to bring the subject into clear focus is preliminarily in order.

II.
STATEMENT OF THE CASE.

After a full trial the District Court held:

> ". . . that the Reiner Reissue Patent in suit is invalid, as not disclosing patentable invention over what was known to the prior art. . . ." (PA. 97a).

The court also held:

> "It is found that the Reissue Claims do not illegally broaden the claims as stated in the original patent." (PA. 99a).

On infringement the court held:

> ". . . I am of the opinion that the accused structure is an infringing device of the plaintiff's patent, and would so find if the plaintiff's patent were valid." (PA. 100a.)

Both of the defendant's counterclaims for alleged unfair competition and for alleged monopoly in the trade and commerce of a two-piece clip were dismissed (PA. 101a.) The appeal taken by the plaintiffs to the Court of Appeals was limited to the sole question of whether the trial court had erred in finding the patent invalid (PA. 104a). No cross appeal was taken by the defendant. Thus, the only issue which was before the Circuit Court and which could properly be brought before this Court is that raised by the plaintiffs' appeal.

After the decision of the Circuit Court, petitioner filed an elaborate petition for a rehearing with the Circuit Court of Appeals for the Second Circuit (Appendix II, pp. ix through xxviii). This petition was denied (Appendix III p. xxix). Petitioner also filed a petition for a rehearing en banc (Appendix IV, p. xxx), which was denied with the concurrence *of all* of the active judges except Judge Clark. All of the arguments which petitioner presents here were presented in the petitions for rehearing below. It is significant that they did not convince a strong majority of the Circuit Court.

III.
ARGUMENT.

Defendant's Argumentative Assertions Concerning "Complete Monopoly," Transfer of "Competing Patent" and "No Prospect" of "Other Circuit" Litigation Are Without Support in the Record and Incorrect.

In its argument defendant commences by raising from the grave a portion of the transcript in the trial court which allegedly supported defendant's second counterclaim for unlawful monopoly of trade and commerce (D. Br. p. 11, and Appendix XI, pp. xlviii to lvi). The cited testimony concerning the settlement or earlier litigation between the plaintiffs and Solo Products Corporation was introduced at the trial in support of said second counterclaim. In its decision the trial court said:

> "Again the testimony and argument have been considered, and the conclusion reached is that the second counterclaim also is dismissed for failure of proof." (PA. 101a).

No appeal was taken, and the cited testimony was not part of the record before the Circuit Court. In view of this, it seems obvious that defendant cannot now at this late date revive any contention concerning monopoly in the trade and commerce of two-piece clips.

According to the defendant this is again an issue because the Circuit Court in its decision referred to plaintiffs "almost complete monopoly of the 'two piece clips in the market.'" (Appendix I, p. v.) A reading of the court's statement in context indicates that it was referring to plaintiffs' phenomenal sales vol-

ume and growth and was not inferring any illegal or inequitable monopolistic practices.

Defendant's assertion, "Thus there appears to be not the slightest possibility that validity of the suit patent ever will be tested in any other Circuit," is based on the false and unproven premise that plaintiffs have no competitors. As a matter of fact, there are other competitors in the field and they do business in many other Circuits. This alleged reason for granting certiorari simply has no merit.

Defendant's Questions Concerning a Mandate for a "Relaxed Standard of Invention" and "Commercial Success" as the Premise for Patentability Are Not Raised by the Decision of the Circuit Court in This Case.

The defendant's position is based on the assertion that the Circuit Court erred because:

> ". . . the decision below makes 'commercial success' the major premise." (D. Br. p. 12.)

This assertion we believe should be contrasted with the deliberate reasoning of the court speaking through Judge Learned Hand:

> "We are of course acutely aware of the constant reminder in the books that the sale of a patented device is not alone a measure of its invention and *we accept that conclusion.*" (Appendix I, p. v) (Emphasis added.)

That the Circuit Court did not make commercial success its "major premise" is clear from its reasoning.

Moreover, defendant cannot quarrel with the statutory definition of invention (Sec. 103, Title 35, U. S. C.) used by the court in testing invention and thus defendant is reduced to disagreeing with the conclusion reached by the court on the basis of the prior art before it. Petitioners in patent cases always do disagree with the conclusions of the court below on invention, but this is no ground for raising a problem of importance to the public as distinguished from that of the parties.

In a deliberate exaggeration, defendant contends that the decision here has the effect of overruling a line of Supreme Court cases commencing with *Permutit Co. v. Graver Corp.* (1931), 284 U. S. 52, and ending with the *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.* (1950), 340 U. S. 147. None of these cases ever held that "a new concourse" of elements cannot constitute an invention. True, this Court said in the *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.* case, 340 U. S. 147, at 152:

> "Courts should scrutinize combination patent claims with a care proportioned to the difficulty and improbability of finding invention in an assembly of old elements."

But the Court also acknowledged in the same case at 151:

> "The concept of invention is inherently elusive when applied to combination of old elements. This, together with the imprecision of our lan-

guage, have counselled courts and text writers to be cautious in affirmative definitions or rules on the subject.[6]"

"[6]With respect to the word 'invention,' Mr. Justice Brown said: 'The truth is the word cannot be defined in such manner as to afford any substantial aid in determining whether a particular device involves an exercise of the inventive faculty or not. In a given case we may be able to say that there is present invention of a very high order. In another we can see that there is lacking that impalpable something which distinguishes invention from simple mechanical skill. Courts, adopting fixed principles as a guide, have by a process of exclusion determined that certain variations in old devices do or do not involve invention; but whether the variation relied upon in a particular case is anything more than ordinary mechanical skill is a question which cannot be answered by applying the test of any general definition.' *McClain v. Ortmayer*, 141 U. S. 419, 427, 12 S. Ct. 76, 78, 35 L. Ed. 800."

Nothing in the decision of the Circuit Court would warrant the conclusion that they are in any way attempting to deviate from the spirit of the inventive test set forth by Congress and this Court. On the contrary, the decision reflects a conscientious effort to properly apply the test to the fact situation presented here.

Defendant also cites a number of different Circuit Court cases which have commented on Section 103, Title 35—whether or not it is intended to change the standard of invention to be applied. The Second Circuit Court of Appeals speaking through Judge Learned Hand in *Lyon v. Bausch & Lomb Optical Co.*, 224 F. 2d 530, is said to represent one view; while several of the other Circuits are said to have an entirely different view. These different views are alleged to create a dispute of which this Court should take cognizance.

We submit that no real and substantial differences exist since all the Circuits agree that Section 103, Title

35 sets forth the only accepted definition which *all* are applying. Moreover, all of the Circuits agree that the intent of Congress in adding Section 103 was as is set forth in the Senate Report, for "uniformity and definiteness." It is to be expected that in particular fact situations the application of the test will be questioned by the losing party. In the words of this Court the "concept of invention is inherently elusive". This is not to say that this Court should take jurisdiction of the ordinary patent case in which the test is applied.

The Claim in Suit Is Not Invalid for Failure to Claim the Invention.

Defendant seeks to create a conflict between the case here and the decision of this Court in *Altoona Theater v. Tri-Ergon Corp.*, 294 U. S. 477, where the claim was held to be invalid because the patentable relationship relied upon was not specified in the claim. Here, the claim in issue defines the means for forming the rocking connection as:

> ". . . correlated means integral respectively with said plates, including spur means integral with one of said plates, and socket means on the other plate receiving the spur means, and cooperating therewith to hold said plates against shifting relatively to each other, and forming a rocking connection between said plates. . . ."

It is thought obvious that the cooperative relationship between the spurs and sockets and their relationship to the plates is distinctly set forth.

Moreover, Section 112, Title 35, U. S. Code contains the following provision:

> "An element in a claim for a combination may be expressed as a means or a step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claims shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof."

When the claim is read in the light of the specification and drawings (PA. 174a) the exact preferred construction of the "spur means" and "socket means" is found to be set forth in detail. This should always be done in construing a claim as was said by this Court in *Temco Electric Motor Co. v. Apco Mfg. Co.*, 275 U. S. 319, at 350.

Nor is there any merit in defendant's contention that the saving of material which is accomplished by the use of the patented invention must be referred to in the specification and claims. The beneficial result if stated would be purely functional and thus immaterial. The *Altoona Theater* case is simply inapposite.

The Prior Art Fails to Disclose the Gist of the Patented Invention Which Is in Its Spur and Socket Construction and Cooperative Relation Thereof With the Clip Closing Means.

What defendant fails to state in its Brief is that the spur and socket construction and the cooperative relation thereof with the clip closing means found in the patented invention and in the defendant's clamp is *not* found in the prior art.

In its "Montage of Prior Art" (Appendix IX) the defendant has produced its "best" or closest prior art

patents. Lindsay 2,031,377 and Jones 2,133,145. Neither of these patents teaches plaintiffs' spur and socket construction and in the lower hypothetical structure (which defendant says represents the suit patent) it is significant to note that the ears of Lindsay, erroneously called spurs, are bent outwardly around the other clamp member. There is no suggestion of sockets formed to receive spurs and form a rocking connection.

As Judge Hand said:

> "Jones's patent, 2,133,145, is the nearest of all those offered, but the lower member, 11, is kept in register with the upper member, 10, by means of the 'side flanges, 17,' which requires the upper member to be different from the lower, and the use of more metal than the spur and socket device of the patent in suit. Moreover, the closing spring is altogether different." (Appendix I, p. vii).

The remainder of the prior art mentioned by the defendant is of even less significance. Cahn 769,336 (PA. 190a) has an entirely different type of spring which requires the use of a hinge construction which will hold the clamp member together. This distinction was recognized by the trial court Judge Byers (PA. 76a) contrary to the defendant's assertions. Likewise, Lindsay 2,031,377 (PA. 198a); Atchley 1,591,732 (PA. 194a); Halket 1,387,978 (PA. 192a) and Turnor British Patent No. 10,972 (PA. 182a) all have spring arrangements which are totally incompatible with the use of spurs and sockets for a rocking connection. In all of these devices the clamp members must be positively held together against the action of the spring.

Viewed in this light it is clear that the fact situation here is one in which the best of the prior art fails to disclose the novel construction of the patented device. The defendant on the other hand does not make use of either the Lindsay or the Jones structure; it uses the correlated "spur means" and "socket means" and the "resilient integral extension of bow-form . . . extending around the axis of said rocking connection, engaging the other plate. . . ." called for by the claim in issue.

Defendant's Clear Infringement Was Found by Both Courts Below.

Defendant argues that it does not infringe because its spurs are provided with barbs and "Its barbs have no correlative in the suit patent" (D. Brief, p. 31). Nothing is more clear than the fact that the addition of elements does not avoid infringement. Moreover, in this case the evidence showed that the defendant's clamps were fully operable and functioned in the same way as the patented clamps with the "barbs" removed. Plaintiffs' expert Stam testified that he removed the "barbs" from defendant's clamps and found that they were fully operable and held together by the spring. This was not disputed. (P. Supp. Appendix, pp. 3a. 4a.)

Defendant's second contention is that it does not infringe because its spring passes through the other handle and presses down rather than pulls up as in the preferred form of the patented device. That very contention was answered by District Judge Byers:

"This question turns upon whether the defendant's spring which is integral with the lower clamp-

ing member and extends forward through an opening in the handle of the upper member and rests upon a portion of that member, is within the teaching of the plaintiff's patent.

"It has already been stated that the claims in suit are broad enough to cover a spring integral with either (2002) member and otherwise performing the functions peculiar to it. In view of the preferred embodiment of the plaintiff's patient in which the spring is integral with the upper member having its engagement at the end in a hook as has been explained, the defendant argues that the plaintiff's structure is necessarily confined to a spring, the engagement of which is accomplished by the hook, and does not cover a spring which merely rests upon a portion of the upper member to accomplish its purpose.

". . . I am of the opinion that the accused structure is an infringing device of the plaintiff's patent, and would so find if the plaintiff's patent were valid." (PA. p. 99a.)

Also it was answered by Circuit Judge Hand:

"The other defenses do not require any extended discussion. It is plain that the reissued Claim three did not enlarge the scope of the invention. It is also plain that its language reads, not only on the specifications, but upon the defendant's 'clamp.' The distinction suggested that the 'resilient integral extension,' *i.e.* the spring, pulls instead of pushes, the members together as in the defendant's 'clamp' is irrelevant. Claim three does not contain as an element either method, and covers both." (Appendix I, p. viii.)

There was no error on the part of either of the courts below in finding that the defendant's clamp came within the scope of the claim in issue.

The Court of Appeals Was Entirely Justified in Drawing Legal Inferences From Uncontradicted Evidence Without Remanding the Case to the District Court.

In the last of its purported questions the petitioner has asked this Court to grant certiorari because of the alleged error of the Court of Appeals in making findings of fact on the issues of "commercial success", "long-felt want", and "the savings of metal". The apparent thrust of this argument is that by failing to remand the case to the District Court in order to obtain findings on these evidentiary matters the Court of Appeals has so far departed from the usual course of judicial proceeding as to require the supervisory jurisdiction of this Court.

The petitioner has cited the case of *Waialua Agricultural Co. v. Maneja*, 216 F. 2d 466, 474 (9th Cir., 1954), in support of an assertion that the court's conduct was "forbidden by statute". This argument is completely misleading.

In the *Waialua* case, the action was brought under the Fair Labor Standards Act, 29 U. S. C. 201 *et seq.* By a specific provision of that Act (29 U. S. C. 210), the court review of a determination of the Wage and Hour Administrator is specifically limited to questions of law. This is a far different matter than the scope of review as to "undisputed evidentiary facts" in an equity case.

The decisions of this Court are sufficient to indicate that petitioner's argument is totally without merit.

The case in the District Court was in the nature of a suit in equity and accordingly tried before a judge without a jury. From time immemorial, the scope of appellate review of an equity action has been much broader than a writ of error from a jury verdict in an action at law and can include determinations of fact. *Virginian Ry. Co. v. United States*, 272 U. S. 658, 675. See also *District of Columbia v. Pace*, 320 U. S. 698, 701.

In *Ridings v. Johnson*, 128 U. S. 212, 218, Mr. Justice Bradley said:

> ". . . on an appeal in an equity suit the whole case is before us and we are bound to decide it so far as it is in condition to be decided."

The present appellate practice under the Federal Rules of Civil Procedure, Rule 52(a) is authoritatively set forth in *United States v. United States Gypsum Co.*, 333 U. S. 364, 394 (1948). The traditionally broad scope of equity review was there made applicable to all actions tried upon the facts without a jury, particularly when the fact finding pertains to inferences drawn from documents or undisputed facts.

In the present action, the evidence pertaining to commercial success, long-felt want, and savings of metal was undisputed in the trial court and, indeed, is undisputed by petitioner's lawyer in his brief. The Circuit Court did not dispute any specific fact findings of the trial court, but merely disputed the legal consequences of the evidence. Such appellate action occurs every

time a trial court is reversed. Accordingly, by itself, such action cannot serve as grounds for a writ of certiorari.

Conclusion.

We do not believe that this Court would wish that we fully argue in this brief the merits of the patent in suit over all of the prior art cited and discussed in the trial court.

We have attempted to show that the issues involved here are the usual ones of validity and infringement. The applicable statutes were applied, and on its merits the patent found valid over art which is clearly distinguishable.

Since the petitioner has lost, it seeks to create something special which would warrant judicial review by this Court. The questions it poses do not find support in the record below, nor in the decisions of the District or Circuit Courts. In grasping for the special and important reasons which would raise this case from the status of a mundane patent case, petitioner has muddled together eight compound and complex questions. Upon careful scrutiny these questions fail to define any clearcut issues which warrant this Court's review.

Respectfully submitted,

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Los Angeles, California, May 1, 1961.